(b) whether the corporate growth has become buoyant for elimination of 10 per cent surcharge as asserted by CII; and

(c) if so, what is Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI V. DHANANJAYA KUMAR): (a) Yes, Sir.

(b) and (c) In making policy decisions regarding taxation, suggestions received from Trade Associations etc; and objective economic conditions are kept in view. The levy of surcharge has been continued in view of the heavy and unexpected expenditure burden mainly on account of defence requirements and transfer to States mandated by the Finance Commission.

GDP Growth Rate

3312. SHRI KAPIL SIBAL:
SHRI RAJ MOHINDER SINGH:

Will the Minister of FINANCE be pleased to state:

(a) whether an estimate of annual growth rate in gross domestic product during the first nine months of the financial year 1999-2000 has been made;

(b) if so, the details of this annual growth rate alongwith its comparison with the growth rate achieved during the last three years in the corresponding period; and

(c) the contribution made by agriculture, industry and service sector in the annual growth rate of first nine months in 1999-2000, separately?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) Yes, Sir.

(b) The estimates of growth rate in gross domestic product (GDP) at factor cost at 1993-94 prices durring the period April-December for the years 1997-98, 1998-99 and 1999-2000 are as under:—

Period (April-December)	Growth over corresponding period (in per cent)
1997-98	6.2
1998-99	6.3
1999-2000	5.9

(c) The contribution made by agriculture, industry and service sectors to overall GDP growth rate during the first nine months of 1999-2000 in terms of per cent point contribution was 0.3 per cent, 1.8 per cent and 3.7 per cent respectively.

Suspension of action against FIIs

3313. SHRIMATI SARLA MAHESHWARI: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that he has issued directives to suspend the action to be taken by Income-Tax Department against the irregularities being committed by Foreign Institutional Investors only after a substantial decline on share market of India on 4th March;

(b) if so, the reasons therefor; and

(c) if not, what is meant by the statement made by him on 5th April stating that no further action would be taken by Income-Tax Department against these Foreign Institutional Investors?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI V. DHANANJAYA KUMAR): (a) to (c) The benefit under Double Taxation Avoidance Convention between India and Mauritius which were being hitherto allowed to Mauritius-based investors were denied to a few Foreign Institutional Investors (FIIs) by the Assessing officers in Mumbai. This caused wide-spread apprehension and uncertainty amongst FIIS operating through Mauritius about the likely reopening of old assessments and tax treatment to investors under the Convention. Since the issue had wider ramifications on FII investment and Foreign Direct Investment (FDI) inflows into India, it was considered necessary to put on hold all action against the concerned investors, pending a detailed examination. The Central Board of Direct Taxes has subsequently issued a clarificatory circular on the relevant issues.

Introduction of two-tier Courts

3314. SHRI NANA DESHMUKH: Will the Minister of LAW, JUSTICE AND COMPANY AFFAIRS be pleased to state:

(a) whether there is a long pendency of cases, both civil and criminal, in various courts and the judgement is not delivered in the law suits before 15-20 years;